AGENDA ITEM 7

New Bus for London

Corporate Gate Summary

Corporate Gate C Review - New Bus for London (PRG: 7 July 2009)

Introduction

There is a Mayoral manifesto commitment to introduce a new design of open platform bus to provide a 21st century iconic successor to the Routemaster bus. Following a design competition in 2008, an invitation to Negotiate (ITN) was issued seeking the development of the design and production of a working prototype by summer 2011, with an option for production of up to 600 vehicles.

The project is requesting £0.5m, covering all activities up award of the development contract in December 2009, including the development of the business case, vehicle purchase mechanism, procurement strategy and negotiations with suppliers and stakeholders. At this stage, the total expected commitment required by TfL is not known because the procurement strategy has not outlined whether TfL will directly purchase the new fleet, or whether the purchase provided for by an option or through a break clause. Both factors will determine the extent of commitment required and should be resolved prior to the Corporate Gate D Review in the autumn.

Timeframe

The procurement process began in February 2009 with the issue of the OJEU notice. Six expressions of interest were received and 'Invitations to Negotiate' were issued on 22 May 2009. Bidder returns are expected on 12 August 2009 and contract award is planned for December.

The critical project milestones are to produce a prototype bus by the summer of 2011 and a pre-series fleet of five buses by early 2012. The review concluded that this timescale is extremely challenging. The External Expert advised that four years is the normal timescale from concept to prototype; however the project team have expressed a difference of opinion and consider 3 years to be normal. A number of bidders are known to be developing bus designs prior to contract award, particularly in the areas of weight reduction, fuel efficiency and emissions standards. In addition, the period from prototype to production is judged challenging at 9 months because this period needs to incorporate trial running and any necessary design changes.

The project agrees that the timescales are challenging and that the level of innovation may be reduced in the time available. Despite this work, the project timescales remain extremely challenging. For example, the engine and transmission systems may not meet the Euro6 emissions and efficiency targets that will come into force in December 2013. The project team acknowledged that to maintain the required timescales, the initial vehicles (up to the first 200) would comply with the existing Euro5 standards, with a new Euro6 engine for later vehicles, presenting a reputational and cost risk.

A further schedule risk is the procurement method. If the agreed strategy is to award a contract for the prototypes and the new fleet, it may be necessary to commit to the new fleet before the development begins. Significant capital funding would therefore need to be secured before contract award in December. It is therefore essential that the procurement strategy is determined prior to the Gate Review in October.

Cost

The design and development cost for the New Bus for London (NBfL) is forecast to be £3.2m, including the production of a 'proving vehicle', followed by a 'near-final' prototype. The review concluded that these costs are reasonable for one prototype vehicle but that more than one prototype would normally be produced during bus development. With the project returning to PRG in October prior to award of the development contract, it is appropriate to wait until the tenders are returned before carrying out further cost analysis. The outline cost breakdown is provided below;

	Item	**Costs**
TfL Costs		
	Project Management	£704,114
	Communications	£188,281
	Legal	£141,750
	Procurement	£20,196
Supplier Costs		
	Design development & prototype production	**£2,160,000**
Total Costs		**£3,214,341**

Affordability
Budgetary provision has been made in the business plan, however the expected NBfL premium over and above what will become the standard "Hybrid Bus" in 2010 is not budgeted. The current estimate of unbudgeted costs over the life of the Surface business plan is £227m which includes the cost of a 2nd crew member on each bus. There is a further estimated unbudgeted capital requirement of £167m should TfL decide to purchase the buses directly. The funding of the full programme was tabled in a paper to the Finance Committee in January 2009 as part of the affordability discussions across the investment portfolio. Further clarification on the funding of the production series will be available at the PRG in October, when the procurement and operational strategies for the new fleet should be determined.

Value for Money
The business case for the project is still in development. The single largest cost associated with NBfL operations is expected to be for 'Two Person Operation' (TPO). The expected benefits, including reduced dwell times and improved perceptions of staff availability and passenger security should be fully articulated.

During the review, the External Expert made a number of technical suggestions to the contract specifications, some of which have been incorporated by the project. The External Expert also judged that the marginal extra cost of the new bus over existing vehicles should not be accepted without challenge, stating that improvement in manufacturing and materials should be expected to offset some of the cost. In addition, the EE judged that the whole life cost of the new fleet should be lower than current vehicles, with lower maintenance and running costs. Whole life cost is also affected by the re-sale value of the new buses to other operators once they have reached the end of their operational life in London. This factor will significantly affect the operators' willingness to directly purchase the new vehicles. These issues should be fully assessed in the business case.

Deliverability

The current procurement strategy details a contract for the design and development of one working prototype with a call off provision for the series production of additional vehicles with variations based on a unit price. The development phase of the contract provides for one 'Proving Vehicle' which would comprise a working skeleton to undergo various forms of durability testing, followed by a 'Prototype Vehicle' that will be put into passenger service. An 'Initial Batch' pre-series production of five vehicles would then be purchased via the call off contract. The review concluded that this was an acceptable approach, but with an extremely challenging timescale, which is the key risk to successful delivery.

The review also concluded that the resources for the tender evaluation phase could be insufficient and that there was no tender evaluation plan that detailed the evaluation process or the required resources. The Project Team has now recruited a technical expert to provide technical evaluation. In addition, Surface Procurement will provide resource on an as-needed basis but this requirement has not been estimated or agreed. An operators' panel is also planned to review the design and operability. IPMO recommends that a detailed tender evaluation plan is produced. This should include a dedicated evaluation team, together with an agreed evaluation methodology prior to tender returns since there is likely to be insufficient time to undertake planning or resourcing activities once the tenders have been returned in August.

Maturity

This request covers the project up to the award of the development contract. The review concluded that the maturity of the project is appropriate to the request, but significant project development needs to be completed prior to contract award in December. Key deliverables in the next phase include the tender evaluation (discussed above), development of the business case, the procurement strategy for the fleet, the roll-out strategy, the operational strategy and a whole life cost analysis. For example, the production rate is currently assumed to be 200 vehicles per year with vehicles being placed on routes when the existing operational contracts expire. There has been no analysis of the contract roll out and the effect on the production schedule or a prioritisation of the roll out by route. In addition, the operational strategy is not yet defined, particularly whether full time two-person operation will be implemented and the impact of this on staffing requirements. All these issues should be resolved prior to PRG in October and contract award in December.

Governance

Governance should be strengthened – the project team has accepted that the Spearmint methodology will be fully implemented. The project is atypical for Surface Transport in that TfL is developing a new bespoke vehicle. Clear and specific governance will be required as the project moves into the design and development phase, particularly to control the technical and design elements of the programme. At present, there is no Technical Design Authority for the new bus and therefore the process and responsibility for design and technical approval is not agreed. The governance development should include technical and design authority and control.

Conclusion

The decision taken during the CGAP review to request funding in two stages – in July and October – provides time for the further development of the project in key areas. The progress of the project is necessarily rapid but the single biggest risk is the time constraint. There are several key activities and decisions that need to be completed prior to contract award if this risk is to be mitigated.

IPMO recommends that the project should pass through Corporate Gate C subject to the following conditions:

1 A tender evaluation strategy should be developed, appropriately resourced and agreed by the end of July, in readiness for the return of tenders on 12 August 2009;

2 A detailed business case should be produced, including additional OPEX costs arising from 'Two Person Operation' prior to Corporate Gate D review in September/October;

3 A next stage plan for the development phase should be detailed, resourced and agreed, including clear arrangements for technical and design approvals, prior to award of the development contract in December 2009.

TRANSPORT FOR LONDON

PROJECT APPROVAL REQUEST

PROJECT: **PRO1632: New Bus for London**

DATE: **PRG 9th July 2009**

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1 EXECUTIVE SUMMARY

PURPOSE AND DECISION REQUIRED

1.1 The purpose of this paper is to present an outline of the New Bus for London project to the Project Review Group (PRG) and to present both the work undertaken so far and the forthcoming next stages.

1.2 This paper is seeking approval from PRG of £0.495m for the first stages of the project. This covers the retrospective approval for all costs associated with the design competition and project management, retrospective approval to proceed to tendering stage, and to seek next stage approval, namely the work associated with the tendering and evaluation stage leading up to the point of contract award.

1.3 The project will present a supplementary paper to SAB and PRG in October 2009 when the bids have been evaluated and more precision can be given on the costs for both the project implementation and operational phases.

1.4 The New Bus for London project does not yet have project approval, however a budget of £3.343m has been included in the approved 2009-17 Surface Business Plan. In addition a figure of £175m unbudgeted operational costs has been included in the Finance Committee Paper "Sensitivity Analysis and Key Risks to Business Plan" (10th March). This figure was subsequently updated internally within Surface Transport as part of the Periodic Reporting of Risks & Opportunities to the Business Plan funding. The new figure is £227m.

1.5 This paper was submitted and approved at the Surface Approval Board (SAB) on 17th June, and now reflects comments made at that meeting.

SCOPE AND OBJECTIVES

1.6 The scope of this paper covers the activities of the project leading up to the award of the contract to design and develop the new bus and to deliver a prototype. This includes:

- the competition phase
- the procurement phase
- the tendering phase
- the tender evaluation and negotiation phase

1.7 The objective of the project is to deliver a new design for a double deck bus, based in part on some of the features of the old Routemaster. The new bus is required to be an iconic 21st century re-modelling of the Routemaster including an open platform and operation with a second crew member.

1.8 The project is a key Mayoral priority and is designed to fulfil and address the Mayor's aspirations as stated in the "Way to Go" paper:

> ***London's new Routemaster***
>
> *The new vehicle will have some of the advantages of the old Routemaster, in the sense that it will be much lighter than the double-deckers currently plying the streets, some of which make a noise like the last trump when they pull off in low gear. It will be specified to run on a hybrid engine, so that it will be not only quieter, but more fuel efficient and less polluting.*
>
> *It will also restore the beauty and virtue that was lost, a sense – at the risk of being rhapsodical – of integrity and continuity between the bus platform and the street, of a constantly accessible public transport surface that it is easy to hop on and hop off. And that idea is of a piece, philosophically, with one of the most important things we need to do to improve our urban realm.*

COSTS

1.9 The costs associated with this phase of the project are £0.495m.

Current Financial Authority

The current Financial Authority included in the approved Bus Operations Business Plan is £3.3m, phased as below:

£m	08/09	09/10	10/11	11/12	Total
Bus Operations Business Plan	0.143	0.100	1.600	1.500	3.343

Current Project Authority:

There is currently no project authority

Additional Project Authority Sought:

Additional project authority for this project is sought for £0.495m which covers the scope of this paper as stated in 1.6 above.

Actual Cost

The actual cost of the project to date as at P2 2009/10 is £0.160m. This comprises £0.143M in 2008/09 and £0.017m in P1-P2 of 2009/10.

Forecast Total Project Cost

The forecast total project cost up to and including the design and development phase and the delivery of the prototype is £3.3m.

Next phase costs

This paper requests funding up to the point of contract award at the end of 2009. The costs up to this point can be forecast with reasonable certainty. The costs for the next phase of the project can only be estimated at this stage, but these will be firmed up in the October submission after the bids have been received and evaluated. The table below show both the current phase and the next phases.

The future costs associated with the operation of the new buses and the potential funding implications are covered in section 3.2-3.3.

Nature of expenditure	**This phase**		**Future phases**			
£m	**08/09**	**09/10 P1-P10**	**09/10 P11-P13**	**10/11**	**11/12**	**Total**
Competition phase	0.091					**0.091**
Project Management	0.038	0.197	0.151	0.171	0.085	**0.642**
Communications & Stakeholder Engagement		0.014	0.006	0.010	0.022	**0.052**
Legal	0.014	0.109	0.025			**0.148**
Procurement		0.015	0.003			**0.018**
Contract for design and development of NBfL prototype			0.293	0.780	0.878	**1.950**
Contingency		0.016	0.068	0.165	0.181	**0.429**
Total	**0.143**	**0.352**	**0.546**	**1.126**	**1.165**	**3.332**
Cumul.	**0.143**	**0.495**	**1.041**	**2.167**	**3.332**	
Requested in this paper		**0.495**				

BENEFITS

1.10 The key benefits of the project will be:

- A new-look bus designed specifically and uniquely for London operation and for the needs of Londoners and visitors
- A more fuel efficient bus that has a lower emissions profile than any other equivalent vehicle
- A bus that has a lower whole life cost in operation than any other bus (excluding the cost of the second crew member)
- A new standard for bus design and manufacture that will influence future vehicles

2 BACKGROUND

2.1 The concept of a new bus for London was instigated at the request of the Mayor of London who made it a Mayoral priority soon after his election in June 2008. This followed an electoral pledge to introduce a new iconic bus for London fit for the 21st century during his first term of office. An open competition was organised in July to harvest ideas and concepts from the general public and designers alike. 700 entries from around the world were received and the winners were announced in December 2008. A procurement notice was issued in February 2009 to seek expressions of interest from suitably competent and capable bus manufacturing companies who might be interested in tendering for the contract to design and build the new buses. There were six respondents to the OJEU notice and all were approved as pre-qualified to be invited to go forward to the tender stage (see Appendix 1). A new specification was developed for the new bus based on the requirements of the project, the aspirations of the Mayor, and a range of performance and passenger requirements distilled from the competition and other stakeholders. The invitation to negotiate and draft contract, along with the new specification were issued to the pre-qualified bidders on 22nd May 2009. The tendering period lasts for 12 weeks and bids are due to be returned on 14th August. There follows an evaluation and negotiation and approval period of 16 weeks. It is planned that the contract will be awarded by the end of 2009.

2.2 The project scope provides for TfL to fund the design and development phase so as to ensure the right environment for innovation and design, and to ensure the unit costs of the production vehicles do not include these sunk costs.

2.3 Supply of vehicles is generally the responsibility of TfL's contracted bus operators under the terms of the route agreements either through outright purchase or lease arrangements. It is anticipated that TfL will require the operators to supply the new bus vehicles in the normal way under the route contracts

2.4 The project plan (Appendix 2) currently envisages that the selected manufacturer will deliver a prototype bus in 2011 with the first of the production vehicles entering operational service in the early part of 2012. This achievement will satisfy the Mayor's objective.

2.5 It is expected that the new bus will operate only on the busiest central London routes, and will eventually replace current vehicles that operate on these routes.

2.6 The reference number of buses to be ordered for series production is 600, with a production output of approximately 200 units every 12 months over a 36 month delivery period. However the exact number of buses and routes to be converted has yet to be decided upon.

2.7 It is the intention that there will be only one eventual manufacturer for the series production stage up to the first 1,000 units. This is to provide incentive to the bidders, scope for variations to the LBSL initial requirements, and an opportunity for the winning bidder to recover their investment in tooling and production costs.

2.8 The IPR is to be retained by the supplier for the first 1,000 units, thereafter TfL will have a full unrestricted licence to have the vehicles manufactured (and further developed / adapted) by third parties. The IPR will be for the essential characteristics of the vehicle i.e. those that make the NBfL distinct from other vehicles such as the overall appearance. It is not the intention for TfL to own outright the IPR, however there are very stringent conditions attached to the use of the IPR such that TfL must agree and give written permission for use of a similar design outside London, and royalty compensation payments may be negotiated in TfL's favour if agreement is given. Provision is also made to allow TfL exclusive rights to exploit any marketing and merchandising opportunities. It should be noted that the IPR clauses in the draft contract reflect TfL's preferred position, and are subject to negotiation.

ALTERNATIVES CONSIDERED

2.9 The procurement strategy proposes a competitive negotiated tendering process to ensure a number of alternative technical and commercial solutions would be available for evaluation. However at this stage prior to bids being returned there are as yet no alternatives to evaluate. A key component of the evaluation process will be both the unit and whole life cost of the new bus, with the focus on obtaining best value to TfL over the life of the bus. As the project is a Mayoral priority the option of not proceeding has not been considered.

2.10 The high level evaluation criteria for the bids will be based on the following weightings:

• Technical proposals	50%
• Pricing and whole life costs	40%
• Contract compliance (Ts & Cs)	10%

2.11 The procurement strategy assumes that the new buses will be procured (purchased or leased) by the bus operating companies as is the case today. However it is recognised that the leasing market conditions are currently unfavourable generally and in particular for non-standard vehicles. An option to be considered at a future date must include the prospect of the acquisition of the buses by TfL and a lease arrangement to the operators. The eventual procurement route chosen must ensure the best economic solution for TfL.

3 PROPOSED SOLUTION

3.1 The preferred solution comprises the following model:

- Competitive, negotiated tendering process to select a single manufacturer by the end of 2009. The costs associated with this phase form the scope of this paper (see 1.6).

  Future phases which will be the scope of the supplementary paper include:
- The contract phase will comprise the design, development and delivery in 2011 of a prototype vehicle and the procurement of the initial batch of 5 production vehicles in 2012.
- Production vehicles will be acquired by bus operators for each route that is identified for conversion to the new bus.

COSTS AND FUNDING

3.2 The details of the project costs to deliver the prototype are detailed in section 1.9. The costs of the procurement and operation of the 600 buses is assumed to be the responsibility of the bus operators who will operate the buses on the designated routes. These route contracts will be subject to the standard tendering and procurement processes.

3.3 However it is recognised that the new bus, by the very nature of its uniqueness, will incur some additional operational and acquisition costs for the bus operators (which will be passed on to TfL) which are not in the current Business Plan. These costs include, for example, the staff costs of the second crew member, the premium of the new bus over and above the costs for a standard hybrid (expected to be in operation in 2012 and beyond), and the potential increased cost of ownership due to the unknown residual values and leasing arrangements. The table below takes into account these additional costs over the period of the Business Plan. At this stage we have assumed that there are no costs associated with the substitution of the new bus into existing routes or fleets. An opportunity for revenues from royalties from IPR and merchandising not yet been taken onto account.

Estimated unbudgeted operational costs

£m	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Total
Labour costs of 2nd crew member	1.13	11.66	24.03	37.12	38.24	39.38	40.56	192.12
Premium vs. planned Hybrid Bus	0.22	2.27	4.70	7.31	7.58	7.54	5.40	32.01
Total	**1.35**	**13.93**	**28.73**	**44.43**	**45.82**	**46.92**	**45.96**	**227.13**

NOTES

1. Vehicle premium for New Bus for London (assuming £30k increase on 2008 prices) includes Materials inflation, CPA and Management contingency @ 45% of inflated base: standard TFL values + Technical Risk @ 20% of inflated base- project view
2. The labour cost is assumed at 2 incremental staff per bus day @ £30K/yr.
3. Inflation has been applied to the above figures as per standard TFL practice.
4. The table above assumes the vehicles are depreciated over 5 years to give a worst case scenario.
5. The table above assumes the buses are phased in at a rate of approximately 200 per 12 months over a 36 month period, but excludes any variation in pricing that arises from batch sizes or timing.

3.4 In addition, a further option that must be considered is the possibility that due to market conditions it may become more advantageous for TfL to own the buses and lease them to the operators (see 2.11). These financial arrangements cannot be determined at this stage, but the additional capital required to purchase the buses could be of the order of £167m after inflation (rising to £276m including management contingency and technical risk).

BUSINESS CASE SUMMARY

3.5 A cost benefit analysis backed by a business case will be produced and presented to SAB and PRG in the supplementary paper in October 2009.

KEY RISKS

3.6 The key risks for the project have been identified as follows:

Commercial/Legal

- Contractual issues surrounding the term & conditions
- Liabilities for termination or compensation
- Cost of design & development phase exceeds budget
- Liability for operation of bus with open rear platform

Management & mitigation – the primary measure to be adopted will be to limit any adverse impact to TfL from the Contract. Costs of design & development may have to be reduced through curtailing the level of innovation.

Technical

- Ability of manufacturers to deliver against specification, including within the timescale required.
- Performance and environmental objectives cannot be achieved

Management & mitigation – these risks may be reduced by lowering the technical requirements.

Health and Safety

- Legislation and certification issues surrounding the design, construction and operation of an open platform bus

Management & mitigation – these risks will have to be eliminated if the bus is to be allowed to operate with an open rear platform. This will be achieved either by compromising the "open" nature of the rear platform, or providing a robust safety case and risk assessment demonstrating an acceptable level of safety can be achieved.

Financial

- Market conditions and suppliers enthusiasm
- TfL's ability to fund the operational phase
- Suppliers financial stability
- The viability of leasing and purchase options for bus operators.

Management & mitigation – the majority of these risks will have to be tolerated as external market conditions are beyond TfL's control. The risk of TfL not being able to fund the operational phase will have to be removed by adjustments elsewhere in the budgets.

Operations

- Issues with second crew member e.g. staffing costs, safety & security
- Bus operators willingness to operate new bus

Management & mitigation – These risks can be tolerated and limited by ongoing discussions and early engagement with the Operator's Panel (see 3.14).

RESOURCES

3.7 The project is intended to be governed using Spearmint methodology however it is recognised that some stages and processes are incomplete at this time. A project board has been established chaired by the Bus Operations Director who is also the project SRO. At this stage in the lifecycle of the project the project team is cross functional led by one Project Manager with significant input from the SRO and other members of the board. The project team has now recruited an external technical expert to assist with the evaluation process, and to be part of the contract management team in the next stages.

CORPORATE POLICIES

3.8 Crime & Disorder

In line with the Mayor's request and resultant legislation of the 15th February 2008 the Crime and Disorder Partnership Unit of the Community Safety Enforcement & Policing department of TfL has been consulted regarding the need to comply with the above legislation in relation to this proposal. The following recommendations result from that consultation

The project should ensure that crime reduction and personal security issues are incorporated within the design stage.

Issues which should be considered within the new design are:

- CCTV, communications systems and other safety related features;
- The installation of equipment and processes to ensure the secure management of fares and cash;
- Prompt removal of all forms of graffiti;
- Appropriate design enhancements to improve passenger safety & security should be considered in the light of both internal and external threats.

These are the key high level issues identified. Liaison with the Crime & Disorder Partnership Unit will be maintained during the project to ensure compliance with the act.

3.9 Sustainability

The technical specification requires bidders to have and implement a sustainability plan that demonstrates how they will reduce the adverse environmental impact over the life-cycle of the vehicle. CO2 emissions, air quality, water consumption and waste will be considered and minimised during the manufacturing, use and disposal of the Vehicle. In addition the bidders are required to comply with the End of Life Vehicle (ELV) Directive and, in addition, achieve recycling rates of 95% of the Vehicle weight.

With regards diversity and strategic labour needs and training, the form of tender requires bidders to comply with the GLA's responsible procurement policies, however it is not expected that the project will generate any new direct employment within London.

3.10 Equalities & Inclusion

The new bus will be required to meet or exceed all of the minimum requirements consistent with the TfL's Disability & Equality Scheme (DES).

LEGAL / FINANCIAL / CROSS-MODAL / REPUTATIONAL IMPLICATIONS

3.11 Legal

It is acknowledged that there maybe significant liability issues surrounding the introduction and operation of a new bus design with an open rear platform. The specification has asked for bidders to consider and propose additional safety features that may mitigate the risks, but ultimately whatever is proposed will need to be thoroughly risk-assessed in due course. TfL will have to satisfy itself that it fully understands its liability position before the new bus enters service. Preliminary discussions within the insurance industry, with the benefit of considerable historic and ongoing evidence, suggest that this may not be a significant issue.

3.12 Financial

Whilst the project implementation costs are funded within the Business Plan, the ongoing incremental operational costs are not. These include the premium cost of the new bus over an existing volume-production hybrid (currently estimated at 15%), the potential additional write-down costs for a unique vehicle, and the costs of the second crew member. These additional un-funded costs are detailed in section 3.3 and will be included in the detailed Business Case.

3.13 Reputational

Following on from the public competition in 2008 there is a significant expectation of TfL from the Mayor, the media, industry, key stakeholder groups and the public to deliver the Mayor's aspirations for a new bus. Any failure to deliver either on time or to the anticipated standard could seriously impact on TfL's reputation.

CONSULTATION

3.14 No statutory formal consultation has been undertaken. However the public competition to capture ideas and concepts has given TfL access to a wide ranging portfolio to consider. Additionally the project team has informally engaged with London Travel Watch, and the Independent Disability Advisory Group (IDAG), and has given a commitment to ensure user groups (including drivers' representatives) are fully engaged during preliminary design trials. It is also planned to set up an Operator's Panel comprising representatives of the bus operating companies, in order that they can be engaged with during the detailed design phase. Further, the project team has held several meetings with the Department for Transport (DfT), the Vehicle Certification Agency (VCA) and the Vehicle Operator Services Agency (VOSA) with regards the legislative issues surround the design, manufacture and certification issues for the new bus.

4 CONCLUSION AND NEXT STEPS

4.1 This paper provides a background of the project to deliver a new bus for London, and sets out the key stages of the delivery.

4.2 The paper is seeking project approval from PRG to proceed to the completion of the tendering stage for £0.495m.

4.3 The project will return to SAB and PRG with a completed Business Case and further details on the project implementation on ongoing operational costs when these are known in greater detail after the tendering phase in October 2009.

5 RECOMMENDATION

5.1 The PRG is asked to note the contents of this paper and to approve the request initial for project authority of £0.495m to proceed with the tendering phase of the new bus for London project.

6 ATTACHMENT(S)

Summary of attachments

6.1 Appendix 1 – List of pre-qualified suppliers (15/04/2009)

6.2 Appendix 2 – Project Plan (29/05/2009)

Appendix 1 – List of pre-qualified bidders

NBfL Pre-Qualification Questionnaire Scoring Summary

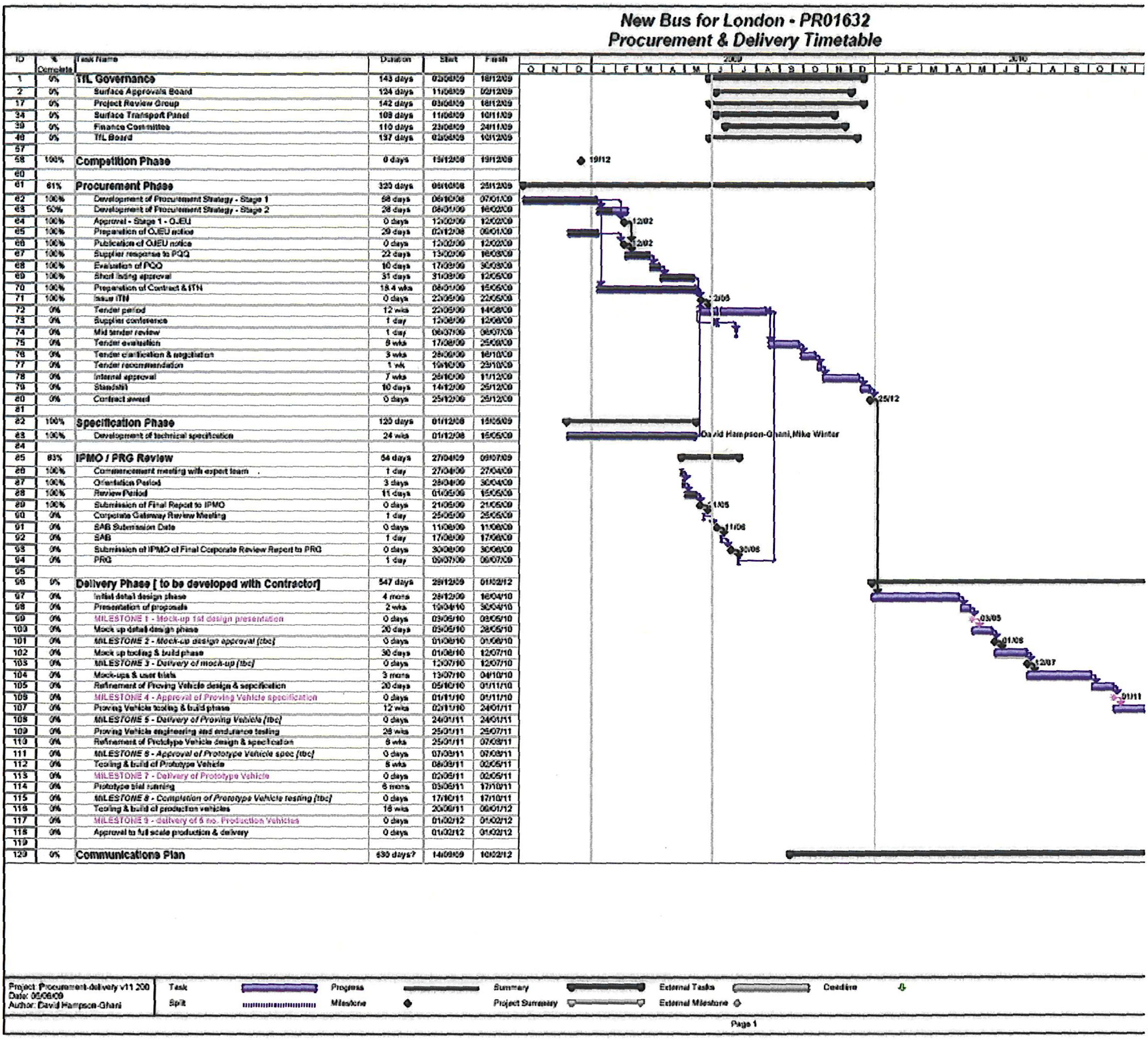
List of companies who submitted a Pre-Qualification Questionnaire:

Company	*Contact*	*Address*
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

PQQ Scoring Summary									
Criteria	*Questions*	*Reviewer*	*Max Score*	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Organisational Ability	24-28	DHG	45.0	45.0	45.0	37.0	29.0	43.0	42.0
Financial Standing	29-32	CE	33.0	29.4	33.0	20.2	27.0	16.2	23.0
Insurance	33-34	DHG	2.0	1.6	2.0	1.6	1.6	1.0	1.6
Quality Assurance	35-36	DHG	4.5	4.5	4.5	4.3	3.5	4.3	3.7
Health & Safety	37-38	FB/GS	5.5	3.5	3.5	3.5	1.5	3.5	3.5
Environmental Management	39-41	NC	4.5	3.0	1.6	1.6	2.0	2.6	4.1
Equal Opportunities	42-43	DHG	5.5	4.5	3.0	3.0	3.0	2.7	4.5
		Total	**100**	**91.5**	**92.6**	**71.2**	**67.6**	**73.3**	**82.4**
			Ranking	**2**	**1**	**5**	**6**	**4**	**3**

File: 15/04/2009 **CONFIDENTIAL** **Transport for London**

Appendix 2 – Project Plan



New Bus for London - PR01632
Procurement & Delivery Timetable

ID	% Complete	Task Name	Duration	Start	Finish
1	0%	**TfL Governance**	143 days	03/06/09	18/12/09
2	0%	Surface Approvals Board	124 days	11/06/09	02/12/09
17	0%	Project Review Group	142 days	03/06/09	18/12/09
34	0%	Surface Transport Panel	109 days	11/06/09	10/11/09
39	0%	Finance Committee	110 days	23/06/09	24/11/09
40	0%	TfL Board	137 days	03/06/09	10/12/09
57					
58	100%	**Competition Phase**	0 days	19/12/08	19/12/08
60					
61	61%	**Procurement Phase**	320 days	06/10/08	25/12/09
62	100%	Development of Procurement Strategy - Stage 1	68 days	06/10/08	07/01/09
63	50%	Development of Procurement Strategy - Stage 2	28 days	08/01/09	16/02/09
64	100%	Approval - Stage 1 - OJEU	0 days	12/02/09	12/02/09
65	100%	Preparation of OJEU notice	29 days	02/12/08	09/01/09
66	100%	Publication of OJEU notice	0 days	12/02/09	12/02/09
67	100%	Supplier response to PQQ	22 days	13/02/09	16/03/09
68	100%	Evaluation of PQQ	10 days	17/03/09	30/03/09
69	100%	Short listing approval	31 days	31/03/09	12/05/09
70	100%	Preparation of Contract & ITN	18.4 wks	08/01/09	15/05/09
71	100%	Issue ITN	0 days	22/05/09	22/05/09
72	0%	Tender period	12 wks	22/05/09	14/08/09
73	0%	Supplier conference	1 day	12/08/09	12/08/09
74	0%	Mid tender review	1 day	06/07/09	06/07/09
75	0%	Tender evaluation	6 wks	17/08/09	25/09/09
76	0%	Tender clarification & negotiation	3 wks	28/09/09	16/10/09
77	0%	Tender recommendation	1 wk	19/10/09	23/10/09
78	0%	Internal approval	7 wks	26/10/09	11/12/09
79	0%	Standstill	10 days	14/12/09	25/12/09
80	0%	Contract award	0 days	25/12/09	25/12/09
81					
82	100%	**Specification Phase**	120 days	01/12/08	15/05/09
83	100%	Development of technical specification	24 wks	01/12/08	15/05/09
84					
85	83%	**IPMO / PRG Review**	54 days	27/04/09	09/07/09
86	100%	Commencement meeting with expert team .	1 day	27/04/09	27/04/09
87	100%	Orientation Period	3 days	28/04/09	30/04/09
88	100%	Review Period	11 days	01/05/09	15/05/09
89	100%	Submission of Final Report to IPMO	0 days	21/05/09	21/05/09
90	0%	Corporate Gateway Review Meeting	1 day	25/05/09	25/05/09
91	0%	SAB Submission Date	0 days	11/06/09	11/06/09
92	0%	SAB	1 day	17/06/09	17/06/09
93	0%	Submission of IPMO of Final Corporate Review Report to PRG	0 days	30/06/09	30/06/09
94	0%	PRG	1 day	09/07/09	09/07/09
95					
96	0%	**Delivery Phase [to be developed with Contractor]**	547 days	28/12/09	01/02/12
97	0%	Initial detail design phase	4 mons	28/12/09	16/04/10
98	0%	Presentation of proposals	2 wks	19/04/10	30/04/10
99	0%	MILESTONE 1 - Mock-up 1st design presentation	0 days	03/05/10	03/05/10
100	0%	Mock up detail design phase	20 days	03/05/10	28/05/10
101	0%	*MILESTONE 2 - Mock-up design approval (tbc)*	0 days	01/06/10	01/06/10
102	0%	Mock up tooling & build phase	30 days	01/06/10	12/07/10
103	0%	*MILESTONE 3 - Delivery of mock-up (tbc)*	0 days	12/07/10	12/07/10
104	0%	Mock-ups & user trials	3 mons	13/07/10	04/10/10
105	0%	Refinement of Proving Vehicle design & sepcification	20 days	05/10/10	01/11/10
106	0%	MILESTONE 4 - Approval of Proving Vehicle specification	0 days	01/11/10	01/11/10
107	0%	Proving Vehicle tooling & build phase	12 wks	02/11/10	24/01/11
108	0%	*MILESTONE 5 - Delivery of Proving Vehicle (tbc)*	0 days	24/01/11	24/01/11
109	0%	Proving Vehicle engineering and endurance testing	26 wks	25/01/11	25/07/11
110	0%	Refinement of Prototype Vehicle design & specification	6 wks	25/01/11	07/03/11
111	0%	*MILESTONE 6 - Approval of Prototype Vehicle spec (tbc)*	0 days	07/03/11	07/03/11
112	0%	Tooling & build of Prototype Vehicle	8 wks	08/03/11	02/05/11
113	0%	MILESTONE 7 - Delivery of Prototype Vehicle	0 days	02/05/11	02/05/11
114	0%	Prototype trial running	6 mons	03/05/11	17/10/11
115	0%	*MILESTONE 8 - Completion of Prototype Vehicle testing (tbc)*	0 days	17/10/11	17/10/11
116	0%	Tooling & build of production vehicles	18 wks	29/08/11	06/01/12
117	0%	MILESTONE 9 - delivery of 6 no. Production Vehicles	0 days	01/02/12	01/02/12
118	0%	Approval to full scale production & delivery	0 days	01/02/12	01/02/12
119					
120	0%	**Communications Plan**	630 days?	14/09/09	10/02/12

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